

** 20 PAGE 02 **

Gap Inc.

Gap
Banana Republic
Old Navy

GPS Services
145 Spear Street
San Francisco, CA 94105
415 552 4400 tel

May 12, 2005

Via Facsimile and Overnight Courier

Francois Larsen
Managing Director
Gabana Gulf Distribution LTD
C/o Merchiston Management
Rue du Cendrier 17
CH-1201 Geneva Switzerland

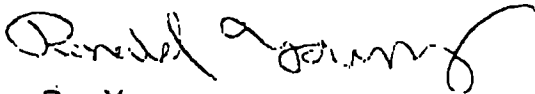
Dear Francois:

Pursuant to paragraph 9(d) of the September 1, 2004 Gap Inc. International Sales Program Distributor License Agreement between Gabana Gulf Distribution LTD ("Gabana") and Gap International B.V. ("Gap"), Gap hereby provides Gabana with 90 days written notice of termination. Thus, the Agreement shall terminate on August 10, 2005 (the "Termination Date").

Please note that Gabana must continue to comply with the continuing obligations under the Agreement, including the terms set forth in paragraph 9(h) of the Agreement, which includes a requirement that Gabana complete all sales of Authorized Goods within 180 days of the Termination Date.

We have appreciated the opportunity to work with Gabana over the last few years and wish you much success in the future.

Regards,



Ron Young
VP, International New Business Development